

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)
▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2007 calendar year, or tax year beginning **10/01/07**, and ending **9/30/08**

- B** Check if applicable:
 Address change
 Name change
 Initial return
 Termination
 Amended return
 Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
SPRING HARBOR HOSPITAL
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
123 ANDOVER ROAD
 City or town, state or country, and ZIP + 4
WESTBROOK ME 04092

D Employer identification number
01-0524834
E Telephone number
207-761-2200
F Accounting method: Cash
 Accrual Other (specify)

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶
H(c) Are all affiliates included? Yes No
 (If "No," attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Website: **WWW.SPRINGHARBOR.ORG**

J Organization type (check only one) 501(c) (**3**) (insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

I Group Exemption Number ▶
M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **34,521,193**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

		1a		1b		1c		1d		1e	
Revenue	1 Contributions, gifts, grants, and similar amounts received:										
	a Contributions to donor advised funds										
	b Direct public support (not included on line 1a)										
	c Indirect public support (not included on line 1a)										
	d Government contributions (grants) (not included on line 1a)										
	e Total (add lines 1a through 1d) (cash \$ 236,722 noncash \$)										
	2 Program service revenue including government fees and contracts (from Part VII, line 93)										
	3 Membership dues and assessments										
	4 Interest on savings and temporary cash investments										
	5 Dividends and interest from securities										
	6a Gross rents										
	b Less: rental expenses										
c Net rental income or (loss). Subtract line 6b from line 6a											
7 Other investment income (describe)											
8a Gross amount from sales of assets other than inventory	(A) Securities			(B) Other							
	8a			8a							
	b Less: cost or other basis and sales expenses			8b							
	c Gain or (loss) (attach schedule)			8c							
d Net gain or (loss). Combine line 8c, columns (A) and (B)											
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>											
a Gross revenue (not including \$ of contributions reported on line 1b)			9a								
b Less: direct expenses other than fundraising expenses			9b								
c Net income or (loss) from special events. Subtract line 9b from line 9a											
10a Gross sales of inventory, less returns and allowances			10a								
	b Less: cost of goods sold			10b							
	c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a										
11 Other revenue (from Part VII, line 103)											
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11											
Expenses	13 Program services (from line 44, column (B))										
	14 Management and general (from line 44, column (C))										
	15 Fundraising (from line 44, column (D))										
	16 Payments to affiliates (attach schedule)										
	17 Total expenses. Add lines 16 and 44, column (A)										
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12										
	19 Net assets or fund balances at beginning of year (from line 73, column (A))										
	20 Other changes in net assets or fund balances (attach explanation)										
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20										

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A See Statement 3	25a	1,725,701	1,725,701	
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b			
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c			
26 Salaries and wages of employees not included on lines 25a, b, and c	26	19,417,997	19,345,005	32,242
27 Pension plan contributions not included on lines 25a, b, and c	27	473,659	473,659	
28 Employee benefits not included on lines 25a - 27	28	2,368,703	2,368,703	
29 Payroll taxes	29	1,585,104	1,470,184	114,920
30 Professional fundraising fees	30			
31 Accounting fees	31	57,499	57,499	
32 Legal fees	32	7,585	7,585	
33 Supplies	33	1,205,126	1,127,009	75,684
34 Telephone	34	97,225	90,176	7,049
35 Postage and shipping	35	59,394	54,196	4,236
36 Occupancy	36	529,253	490,882	38,371
37 Equipment rental and maintenance	37	51,233	47,519	3,714
38 Printing and publications	38	11,423	10,595	828
39 Travel	39	100,694	89,323	6,982
40 Conferences, conventions, and meetings	40	135,167	116,054	15,513
41 Interest	41	1,205,922	1,205,922	
42 Depreciation, depletion, etc. (attach schedule)	42	1,338,113	1,241,100	97,013
43 Other expenses not covered above (itemize): a See Statement 4	43a	3,304,219	2,844,362	432,197
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g	43g			
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	33,674,017	30,974,689	2,619,534

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____ ; (ii) the amount allocated to Program services \$ _____ ;

(iii) the amount allocated to Management and general \$ _____ ; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose?

▶ **PROVIDER OF MENTAL HEALTH CARE SERVICES**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

a See Statement 5

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

30,974,689

b

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

c

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

d

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

e Other program services (attach schedule)

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

f Total of Program Service Expenses (should equal line 44, column (B), Program services)

30,974,689

Form **990** (2007)

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
Assets	45	Cash—non-interest-bearing	1,230	45	1,785
	46	Savings and temporary cash investments	4,944,844	46	4,411,077
	47a	Accounts receivable	11,057,983		
	b	Less: allowance for doubtful accounts	8,793,886	47c	2,264,097
	48a	Pledges receivable	46,154		
	b	Less: allowance for doubtful accounts	4,219	48c	41,935
	49	Grants receivable		49	
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (att. schedule)		50b	
	51a	Other notes and loans receivable (attach schedule)			
	b	Less: allowance for doubtful accounts		51c	
	52	Inventories for sale or use	145,630	52	176,652
	53	Prepaid expenses and deferred charges	264,894	53	358,020
	54a	Investments—publicly-traded securities See Statement 6		54a	298,325
	b	Investments—other securities (attach schedule)		54b	
	55a	Investments—land, buildings, and equipment: basis			
	b	Less: accumulated depreciation (attach schedule)		55c	
	56	Investments—other (attach schedule)		56	
	57a	Land, buildings, and equipment: basis	29,792,859		
b	Less: accumulated depreciation (attach schedule) See Statement 7	6,904,238	57c	22,888,621	
58	Other assets, including program-related investments (describe See Statement 8)	5,323,329	58	4,712,434	
59	Total assets (must equal line 74). Add lines 45 through 58	36,913,418	59	35,152,946	
Liabilities	60	Accounts payable and accrued expenses	3,337,955	60	3,081,989
	61	Grants payable		61	
	62	Deferred revenue		62	
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a	Tax-exempt bond liabilities (attach schedule) See Worksheet	23,944,670	64a	23,382,658
	b	Mortgages and other notes payable (attach schedule)		64b	
	65	Other liabilities (describe See Statement 9)	1,677,157	65	
66	Total liabilities. Add lines 60 through 65	28,959,782	66	26,464,647	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted	7,413,506	67	8,214,398
	68	Temporarily restricted	190,130	68	123,901
	69	Permanently restricted	350,000	69	350,000
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.				
	70	Capital stock, trust principal, or current funds		70	
	71	Paid-in or capital surplus, or land, building, and equipment fund		71	
	72	Retained earnings, endowment, accumulated income, or other funds		72	
	73	Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	7,953,636	73	8,688,299
	74	Total liabilities and net assets/fund balances. Add lines 66 and 73	36,913,418	74	35,152,946

Part VI Other Information (continued)

		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		
	N/A		
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	N/A		
85a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
	N/A		
c	Dues, assessments, and similar amounts from members		
d	Section 162(e) lobbying and political expenditures		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
	N/A		
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		
b	Gross receipts, included on line 12, for public use of club facilities		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0 ; section 4912 0 ; section 4955 0		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
90a	List the states with which a copy of this return is filed ME		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	90b	501
91a	The books are in care of GREG BOWERS, CFO Telephone no. 207-761-2200 123 ANDOVER ROAD Located at WESTBROOK, ME ZIP + 4 04092		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X

Part VI Other Information (continued)

Yes No

- c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c Yes No
- If "Yes," enter the name of the foreign country ▶
- 92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here ▶
and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a NET PATIENT SERVICE REVENUE					33,211,649
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	102,921	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					891
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b OTHER OPERATING REVENUE					965,252
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		102,921	34,177,792
105 Total (add line 104, columns (B), (D), and (E))					34,280,713

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	See Statement 16

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a			
b			
c			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

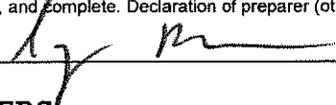
	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a			
b			
c			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer:  Date: 8/10/09

GREG BOWERS CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature:  Date: 8/04/09 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: MaineHealth
901 Washington Ave Suite 104
Portland, ME 04103

Preparer's SSN or PTIN (See Gen. Instr. X): _____
EIN: _____
Phone no.: _____

**SCHEDULE A
(Form 990 or 990-EZ)**

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),
or 4947(a)(1) Nonexempt Charitable Trust

OMB No. 1545-0047

2007

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

SPRING HARBOR HOSPITAL

Employer identification number

01-0524834

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to empl. benefit plans & deferred comp.	(e) Expense account and other allowances
JOHN MURPHY, MD 123 ANDOVER ROAD WESTBROOK ME 04092	PHYSICIAN 40	205,982	23,782	0
MARK FULTON, MD 123 ANDOVER ROAD WESTBROOK ME 04092	PHYSICIAN 40	188,599	23,157	0
JOHN BELL, MD 123 ANDOVER ROAD WESTBROOK ME 04092	PHYSICIAN 40	177,247	21,388	0
JAMES RAY, DO 123 ANDOVER ROAD WESTBROOK ME 04092	PHYSICIAN 40	172,012	22,255	0
DARIA HANSON, MD 123 ANDOVER ROAD WESTBROOK ME 04092	PHYSICIAN 40	152,269	16,455	0
Total number of other employees paid over \$50,000	▶ 58			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NORDX PO BOX 607 SCARBOROUGH ME 04074	LAB PROCESSING	166,728
CERTIFIED INTERPRETING PO BOX 6500 BRUNSWICK ME 04011	LANGUAGE INTERP	92,266
LOCUMTENENS.COM ME	PHYSIC RECRUIT	60,725
Total number of others receiving over \$50,000 for professional services	▶ 0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services	▶ 0	

Part III Statements About Activities (See page 2 of the instructions.)

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>8,847</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)	X	
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Part V-A, Form 990	X	
e	Transfer of any part of its income or assets?		X
3a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)		X
b	Did the organization have a section 403(b) annuity plan for its employees?	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966?		
c	Did the organization make a distribution to a donor, donor advisor, or related person?		
d	Enter the total number of donor advised funds owned at the end of the tax year ▶ _____		
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____		
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ _____	0	
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ _____		0

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ►
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions-subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 - Type I
 - Type II
 - Type III-Functionally Integrated
 - Type III-Other

Provide the following information about the supported organizations. (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e)	26c	
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____	26d	
e Public support (line 26c minus line 26d total)	26e	
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	%

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: **N/A**

(2006) _____ (2005) _____ (2004) _____ (2003) _____

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: **N/A**

(2006) _____ (2005) _____ (2004) _____ (2003) _____

c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____	27c	
d Add: Line 27a total _____ and line 27b total _____	27d	
e Public support (line 27c total minus line 27d total)	27e	
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)	27f	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 9 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	N/A	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
.....			
32 Does the organization maintain the following:			
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
33 Does the organization discriminate by race in any way with respect to:			
a Students' rights or privileges?	33a		
b Admissions policies?	33b		
c Employment of faculty or administrative staff?	33c		
d Scholarships or other financial assistance?	33d		
e Educational policies?	33e		
f Use of facilities?	33f		
g Athletic programs?	33g		
h Other extracurricular activities?	33h		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b Has the organization's right to such aid ever been revoked or suspended?	34b		
If you answered "Yes" to either 34a or b, please explain using an attached statement.			
.....			
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.)

(To be completed **ONLY** by an eligible organization that filed Form 5768) **N/A**

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

	(a) Affiliated group totals	(b) To be completed for all electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount. Enter the amount from the following table-		
If the amount on line 40 is- The lobbying nontaxable amount is-		
Not over \$500,000	20% of the amount on line 40	
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
Over \$17,000,000	\$1,000,000	
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.

See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means	X		8,847
i Total lobbying expenditures (Add lines c through h.)			8,847

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

See Statement 17

Form 990	Tax-Exempt Bond Liabilities	2007
For calendar year 2007, or tax year beginning 10/01/07 , and ending		9/30/08

Name SPRING HARBOR HOSPITAL	Employer Identification Number 01-0524834
---------------------------------------	---

Form 990, Part IV, Line 64a - Additional Information

Name of lender	Purpose of issue
(1) MHHEFA SERIES 2002	NEW HOSPITAL FACILITY CONSTRUCTION
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Issue date	Original amount of issue	Form 8038 filed:		Date retired	Completion date of project	Unexpended bond proceeds
		Y/N	Date filed			
(1) 1/01/02	26,808,972	N		9/30/32		
(2)						
(3)						
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Third party use percent	Maturity date	Repayment terms	Interest rate
(1)	9/30/32	30 YR MONTHLY PAYMENTS	4.000
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

Security provided by borrower	Amount outstanding at beginning of year	Amount outstanding at end of year
(1) 100 BED FACILITY	23,944,670	23,382,658
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	23,944,670	23,382,658

Federal Statements

Statement 1 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Depr	Gain/-Loss
Purchase					\$	\$		
SCANNER-PANASONIC KV-S2065			5/01/03	1/01/08	1,050	5,584	5,305	771
Purchase								
COMPLETE ALS BODY MANIKAN TRAINER			10/01/07	1/01/08	2,948	2,948	98	98
Purchase								
ARRHYTHMIA SIMULATOR BOX			10/01/07	1/01/08	651	651	22	22
Purchase								
Total					<u>\$ 4,649</u>	<u>\$ 9,183</u>	<u>\$ 5,425</u>	<u>\$ 891</u>

Federal Statements**Statement 2 - Form 990, Line 20 - Other Changes in Net Assets or Fund Balances**

<u>Description</u>	<u>Amount</u>
UNREALIZED LOSSES ON INVESTMENTS	\$ -96,977
EQUITY TRANSFER TO AFFILIATE	-11,778
Total	<u>\$ -108,755</u>

Federal Statements

Statement 3 - Form 990, Part II, Line 25a - Compensation of Current Officers

Name	Program Services	Management & General	Fundraising
Expenses	\$	\$	\$
DENNIS KING-COMPENSATION Compensation		437,819	
DENNIS KING-EE BENEFITS Benefit Plan Contribution		75,844	
GAIL WILKERSON-COMPENSATION Compensation		107,306	
GAIL WILKERSON-EE BENEFITS Benefit Plan Contribution		16,427	
GIRARD ROBINSON-COMPENSATION Compensation		345,721	
GIRARD ROBINSON-EE BENEFITS Benefit Plan Contribution		78,281	
GREGORY BOWERS-COMPENSATION Compensation		144,438	
GREGORY BOWERS-EE BENEFITS Benefit Plan Contribution		20,951	
JOHN ORLOWSKI-COMPENSATION Compensation		113,129	
JOHN ORLOWSKI-EE BENEFITS Benefit Plan Contribution		11,056	
MARY JANE KREBS-COMPENSATION Compensation		163,682	

Federal Statements

Statement 3 - Form 990, Part II, Line 25a - Compensation of Current Officers (continued)

Name	Program Services	Management & General	Fundraising
MARY JANE KREBS-EE BENEFITS Benefit Plan Contribution	\$	22,177	\$
RICHARD HANLEY-COMPENSATION Compensation		170,218	
RICHARD HANLEY-EE BENEFITS Benefit Plan Contribution		18,652	
Total	\$ 0	\$1,725,701	\$ 0

Federal Statements**Statement 4 - Form 990, Part II, Line 43 - Other Functional Expenses**

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
Expenses	\$	\$	\$	\$
PURCHASED SERVICES	1,074,021	877,992	171,762	24,267
RECRUITMENT	86,650	80,368	6,282	
HOUSEKEEPING	59,381	59,381		
ADVERTISING	42,246		39,476	2,770
TRANSCRIPTION SERVICES	67,854	67,854		
LABORATORY SERVICES	181,469	181,469		
OTHER	209,464	144,323	64,518	623
HOSPITAL TAX	717,551	717,551		
BAD DEBT EXPENSE	523,029	523,029		
INSURANCE	188,011	37,852	150,159	
GRANT RELATED EXPENSES	154,543	154,543		
Total	<u>\$ 3,304,219</u>	<u>\$ 2,844,362</u>	<u>\$ 432,197</u>	<u>\$ 27,660</u>

Statement 5 - Form 990, Part III, Line a - Statement of Program Service AccomplishmentsDescription

SPRING HARBOR HOSPITAL IS AN INPATIENT & OUTPATIENT FACILITY THAT SERVES INDIVIDUALS WITH MENTAL ILLNESS. THE HOSPITAL'S GOAL IS TO IMPROVE THE MENTAL HEALTH OF PEOPLE IN MAINE BY PROVIDING CARE, SERVICES AND EDUCATION IN A MANNER THAT RESPECTS THE DIGNITY, PRIVACY AND NEEDS OF EACH PERSON. THE HOSPITAL TREATS ALL INDIVIDUALS REGARDLESS OF THEIR ABILITY TO PAY FOR SERVICES.

STATISTICS FOR THE 12 MONTHS ENDED 9/30/08:

PATIENT DAYS: 28,572

OUTPATIENT VISITS: 1,765

AVERAGE DAILY CENSUS: 83

TOTAL FREE CARE PROVIDED: 5,765,541

SEE COMMUNITY BENEFIT STATEMENT ATTACHED SEPARATELY

Federal Statements**Statement 6 - Form 990, Part IV, Line 54a - Publicly Traded Securities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>
US and State Government Bonds and notes	\$	\$ 59,748	Market
Corporate Stock		142,249	Market
MARKETABLE EQUITY SECURITIES		34,396	Market
CORPORATE STOCK		61,932	Market
HEDGE FUNDS			
Total	\$ 0	\$ 298,325	

Statement 7 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

<u>Description</u>	<u>Beginning of Year</u>	<u>Accum Depr</u>	<u>End of Year</u>	<u>Accum Depr</u>
LAND	\$ 1,212,130	\$	\$ 1,212,130	\$
LAND IMPROVEMENTS	667,878	204,026	667,878	256,319
BUILDINGS	23,002,738	2,661,350	23,002,738	3,421,628
LEASEHOLD IMPROVEMENTS	29,770	23,360	29,770	26,970
EQUIPMENT	4,408,591	2,608,867	4,516,386	3,059,607
CONSTRUCTION IN PROGRESS	18,344		18,626	
BUILDING IMPROVEMENTS	342,838	99,900	345,331	139,714
Total	\$29,682,289	\$ 5,597,503	\$29,792,859	\$ 6,904,238

Statement 8 - Form 990, Part IV, Line 58 - Other Assets

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
AMOUNTS RECEIVABLE UNDER REIMB REGS	\$ 4,580,979	\$ 4,268,031
INVESTMENTS WHOSE USE IS LIMITED	464,039	0
DEFERRED FINANCING COST	278,311	267,104
DUE FROM AFFILIATES		177,299
Total	\$ 5,323,329	\$ 4,712,434

Federal Statements**Statement 9 - Form 990, Part IV, Line 65 - Other Liabilities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
DUE TO AFFILIATES	\$ <u>1,677,157</u>	\$ <u>0</u>
Total	\$ <u>1,677,157</u>	\$ <u>0</u>

Federal Statements**Statement 10 - Form 990, Part IV-A - Other Revenue Included on Financial Statements**

Description	Amount
UNREALIZED LOSSES ON INVESTMENTS	\$ -96,977
Total	\$ <u>-96,977</u>

Statement 11 - Form 990, Part IV-A - Other Revenue Included on Return

Description	Amount
GROSS UP OF GRANT REVENUE SHOWN NET OF EXPENSES ON FS	\$ 154,543
Total	\$ <u>154,543</u>

Statement 12 - Form 990, Part IV-B - Other Expenses included on Return

Description	Amount
GRANT RELATED EXPENSES NETTED AGAINST GRANT REVENUE ON FS	\$ 154,543
Total	\$ <u>154,543</u>

Federal Statements

Statement 13 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
RICHARD ARONSON 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
ROSALYNE BERNSTEIN 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
SHERI BOULOS 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
RICHARD CARRIUOLO 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
VINCENT CONTI 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
KAYE FLANAGAN 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
DANIEL M. HAYES, MD 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
LESTER W. HODGDON 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
JOAN HOUGHTON 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0

Federal Statements

Statement 13 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees (continued)

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
DAVID LAKARI 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
FRANK LAVOIE, MD 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
FRANK H. PARKER 123 ANDOVER ROAD WESTBROOK ME 04092	VICE CHAIR	3	0	0	0
NANCY POND 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
BRIAN RINES, PHD 123 ANDOVER ROAD WESTBROOK ME 04092	CHAIR	3	0	0	0
CHERYL LEE RUST 123 ANDOVER ROAD WESTBROOK ME 04092	SECRETARY	3	0	0	0
JOHN SHOOS 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
ANNA WELLS 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
ROGER F. WOODMAN JR. 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0

Federal Statements

Statement 13 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees (continued)

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
JANICE COHEN 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
NANCY HASENFUS, MD 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
LISA HOOK 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
DENNIS P. KING 123 ANDOVER ROAD WESTBROOK ME 04092	CEO	50	437,819	75,844	0
GIRARD ROBINSON 123 ANDOVER ROAD WESTBROOK ME 04092	CMO	50	345,721	78,281	0
RICHARD HANLEY 123 ANDOVER ROAD WESTBROOK ME 04092	COO	50	170,218	18,652	0
MARY JANE KREBS 123 ANDOVER ROAD WESTBROOK ME 04092	CNO	50	163,682	22,177	0
GREGORY BOWERS 123 ANDOVER ROAD WESTBROOK ME 04092	CFO	50	144,438	20,951	0
JOHN ORLOWSKI 123 ANDOVER ROAD WESTBROOK ME 04092	CHIEF HR	50	113,129	11,056	0

Federal Statements

Statement 13 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees (continued)

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
GAIL WILKERSON 123 ANDOVER ROAD WESTBROOK ME 04092	CHIEF PLAN	50	107,306	16,427	0
JOSEPH R.D.DEKAY, DO 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
ANN B. DONAGHY 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
ANNE B. PRINGLE 123 ANDOVER ROAD WESTBROOK ME 04092	TRUSTEE	3	0	0	0
WILLIAM CARON, JR. 123 ANDOVER ROAD WESTBROOK ME 04092	EX W/VOTE	3	0	0	0

Federal Statements

Statement 14 - Form 990, Part V-A, Line 75c - Compensation from Related Organizations

Payee Name	Organization EIN	Relationship	Related Organization Name1	Related Organization Name2	Compensation	Benefits	Expenses	Compensation Description
WILLIAM CARON, JR.	01-0431680	MAINEHEALTH PARENT COMPANY			1,019,527	194,002		COMP & EE BENEFITS
VINCENT CONTI	01-0238552	MAINE MEDICAL CENTER COMMON PARENT COMP			3,078,145	161,542		COMP & EE BENEFITS

Federal Statements**Statement 15 - Form 990, Part VI, Line 80b - Name of Related Organization(s)**

<u>Name of related organization(s)</u>	<u>Type</u>
SPRING HARBOR COUNSELING	Exempt
INTEGRATED BEHAVIORAL HEALTHCARE	Non-exempt
MAINEHEALTH	Exempt
MAINE MEDICAL CENTER	Exempt
MILES HEALTH CARE, INC.	Exempt
ST. ANDREWS HOSPITAL	Exempt
GERIATRIC RESOURCE NETWORK	Exempt
HOMEHEALTH-VISITING NURSES OF SO. ME	Exempt
NORDX	Exempt
SYNERNET, INC.	Non-exempt
WESTERN MAINE HEALTH CARE CORP.	Exempt
MAINE PHYSICIAN HOSPITAL ORG.	Non-exempt
LINCOLN COUNTY HEALTH CARE, INC.	Exempt

Federal Statements**Statement 16 - Form 990, Part VIII - Relationship of Activities**

<u>Line No.</u>	<u>Description</u>
93a	NET PATIENT SERVICE REVENUES REPRESENT CHARGES FOR ACUTE INPATIENT CARE AND OUTPATIENT PROGRAMS PROVIDED BY SPRING HARBOR HOSPITAL TO ITS PATIENTS. THE MISSION OF THE HOSPITAL IS TO IMPROVE THE MENTAL HEALTH OF PEOPLE IN MAINE BY PROVIDING A BROAD RANGE OF MENTAL HEALTH SERVICES.
103b	OTHER OPERATING REVENUES REPRESENT REVENUE FOR MEAL CHARGES AND OTHER MISCELLANEOUS INCOME.

Statement 17 - Schedule A, Part VI-B - Description of Lobbying ActivitiesDescription

A PORTION OF MEMBERSHIP DUES PAID REPRESENTS LOBBYING ACTIVITIES.
LOBBYING PORTION OF MAINE HOSPITAL ASSOCIATION DUES: \$4,666
LOBBYING PORTION OF AMERICAN HOSPITAL ASSOCIATION DUES: \$4,181
TOTAL DUES PAID ATTIBUTABLE TO LOBBYING ACTIVITIES: \$8,847

Spring Harbor Hospital
990
September 30, 2008

EIN# 01-0524834

Part II, Statement of Functional Expenses, Line 42 - Depreciation Expense

Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method.



Spring Harbor Hospital

MaineHealth

Fiscal Year 2007-08

I. Why a Community Benefits Report for Spring Harbor Hospital?

Spring Harbor Hospital's day-to-day operations as a tax-exempt organization include wellness clinics, community educational programs, interpreting services, health professions education, charitable giving, and many other system-wide efforts. With these programs, Spring Harbor Hospital aims to fill existing local gaps, while making a positive impact in the communities we serve. This report will summarize Spring Harbor's community benefits efforts over the last year. The final section (IX) will also provide a financial summary of charity care, bad debt, government-sponsored healthcare, and all subsidized community programs and other support.

II. Spring Harbor Hospital Description and Information

Spring Harbor Hospital is southern Maine's only nonprofit freestanding psychiatric hospital and outpatient services network. We offer the region's most complete range of clinically distinguished and innovative treatment programs for people of all ages— regardless of their ability to pay—who experience serious episodes of mental illness. Spring Harbor Hospital is additionally responsible to the State of Maine to serve as the psychiatric safety net hospital for adult residents of southern, central, western, and midcoast Maine whose treatment needs are too great for community hospital psychiatric units and yet not intensive enough for treatment at the Riverview Psychiatric Center in Augusta. Our Hospital also serves as the principal gate keeping or triaging center for adult patients needing admission to either Spring Harbor or Riverview Psychiatric Center.

Spring Harbor's compassionate, respectful care honors the dignity, privacy, and recovery needs of each person and is continuously enhanced by professional training and medical research. The organization is a member of MaineHealth and is overseen by a 21-member board of trustees, many of whom have family members, friends, or colleagues who have experienced psychiatric illness at some point in their lives. Spring Harbor employs 563 individuals in its inpatient and outpatient treatment settings.

III. Community Needs Assessment

Spring Harbor Hospital's Board features a diverse set of community members, some of whom are consumers of psychiatric services. The Board requires that a thorough Community Needs Assessment be performed on behalf of the organization, and it directs the organization to analyze and respond to the current needs assessment. The Hospital also participates in various initiatives and continuous research to keep its assessments current. Some of these assessments are performed as part of the following Spring Harbor Hospital annual planning process, which covers the following domains:

- Clinical Strategic Planning
- Financial Strategic Planning
- Facility Planning
- Human Resources Planning
- Staff Development Planning
- Physician Recruitment Strategic Planning
- Emergency Preparedness Planning

In addition to these internal assessments, Spring Harbor Hospital recognizes and acts upon many of the recommendations provided by external groups and state health planning initiatives, such as the Maine Department of Health and Human Services Adult Mental Health Services Plan, the Maine State Health Plan, the Maine Center for Disease Control and Prevention guidelines, the United Way of Greater Portland's Community Needs Assessment, and the Maine Kids Count Annual Report and Data Book.

IV. Specific Financial Data

The following presents financial data relating to direct care services provided to patients for whom no reimbursement is received or for which reimbursement is received at a rate that is below the cost of providing such services. The amounts presented here represent Spring Harbor Hospital's commitment to our most basic community mission: providing care to all, regardless of a person's ability to pay for the care received.

The Hospital is not reimbursed for care provided to patients who qualify for participation in Spring Harbor's charity care / indigent care programs. The cost of the care provided to participants of these programs during fiscal year 2008 totaled \$3,473,000.

Services provided for which payment is expected are billed to patients and third-party payors using established rates. All patient accounts are processed using standard billing and collection practices. When these practices fail to produce payment from patients or third party payors, accounts are written off as a bad debt. As a policy, the Hospital does not include differences between billed amounts and amounts allowed by contract or law (contractual adjustments) as bad debt. The cost of the care provided to patients whose accounts had been written off as bad debt during fiscal year 2008 totaled \$289,000.

During fiscal year 2008, Spring Harbor Hospital provided care to Medicare beneficiaries and was reimbursed by Medicare at reimbursement rates which fell below the cost of care. The un-reimbursed cost of providing care to Medicare beneficiaries totaled \$1,014,000 in fiscal year 2008.

In order for Spring Harbor Hospital to maintain the financial viability of its programming, it is necessary to subsidize the costs of providing the services noted above with other funding sources. These sources include reimbursement from commercial payors and the State's Medicaid program (MaineCare) at rates which exceed the cost of providing the care.

V. Spring Harbor Hospital's Subsidized Community Programs and Other Support*

Community Education Programs

Since 2000, Spring Harbor Hospital's mental health professionals have facilitated free and low-cost health education programs for the public on topics ranging from stress management to living with bipolar disorder to substance abuse prevention. Offered each year are free screening programs for anxiety and depression. In 2008, more than 1,393 local residents availed themselves

of these educational programs. Also provided as a community service were newsletters distributed to the public that provided information about maintaining optimum mental health. Costs associated with these community education and wellness programs totaled \$17,000 in fiscal year 2008.

Charitable Giving

Spring Harbor Hospital participates in annual charitable giving activities, including the United Way of Greater Portland's annual community campaign during which one month of employee labor is donated to coordinate all Spring Harbor's employee giving to the campaign. In 2008, that donated time was worth \$4,000. In addition, the Hospital routinely provides meeting space for area nonprofit agencies and community groups and routinely donates monetary and human resources to area charities whose missions are compatible with Spring Harbor's.

Health Professions Education

Spring Harbor is a teaching hospital, offering residency training and educational experiences for medical, nursing, social work and other health professions students. The residency program offers rotations in youth psychiatry and extended learning experiences for child psychiatry fellows through a resident training affiliation agreement with an affiliated hospital. Nursing students from local nursing schools perform their clinical rotations in psychiatry at Spring Harbor. Social work, occupational therapy, and psychology interns also spent time at Spring Harbor. Staffing costs associated with these training programs approximate \$95,400 for fiscal year 2008.

Support of MaineHealth Community Programs

Spring Harbor Hospital is wholly owned and a subsidiary of MaineHealth, an integrated community care network which serves Maine and Northern New England. In addition to the aforementioned programs, Spring Harbor Hospital provides its proportional share of support for the annual budget of the following programs, through both "member dues" and "fund balance transfers". While all member organizations may not participate directly in the following initiatives, all members provide some level of financial support to help sustain and grow these MaineHealth programs.

Clinical Integration

AH! Asthma Health – The AH! Program improves the care and outcomes for Maine people with asthma. The program not only develops and coordinates asthma treatment education for Physicians, but also sends asthma educators into schools and community organizations to provide further information. In addition, the Program lends support and expertise to the local asthma "HelpLine" for Somali and Latino community members in collaboration with the City of Portland, Health and Human Services.

TARGET Diabetes – The TARGET Diabetes Program improves care and outcomes for Maine people with diabetes. The program provides learning opportunities and support for primary care practices, helps Physicians utilize an electronic registry to track outcome measures for patients, and creates/distributes patient health education booklets for the community.

Healing Hearts – Healing Hearts improves heart failure care and outcomes for Maine people with the condition. The program coordinates the distribution of pamphlets, scales, and any other resources intended to help people manage heart failure. Healing Hearts also established an electronic registry for Physicians to track patient progress, and hospitals using this program consistently score above national averages on quality measures for patients with heart failure.

Cardiovascular Health Program – The Cardiovascular Health program improves the care and outcomes for Maine patients with cardiovascular disease (CVD). Along with an electronic registry for Physicians, the program produced a public awareness campaign for public access television in Greater Portland. The Cardiovascular Health program also supports the efforts of hospitals in offering preventative screenings to thousands of people with CVD through risk screening and reduction programs.

Acute Myocardial Infarction (AMI) – The AMI program improves outcomes of individuals that experience a certain type of heart attack (STEMI) by redesigning systems to ensure high quality, timely, and coordinated care. Through the AMI program’s “Rapid Response” packets, health systems met goals for decreasing the transport time to treat patients. Program staff also informs hospitals of cardiology literature and clinical practice guidelines.

Caring for ME – Caring for ME helps people with depression and those who care for and about them. The program trains primary care providers on the diagnosis and treatment of patients, and many physicians use an electronic registry to track outcome measures. In 2006, the program was chosen as one of only 20 healthcare organizations nationwide to participate in a year-long project focused on increasing patient and family involvement in chronic disease self-management.

Mental Health Integration – MaineHealth, in partnership with Spring Harbor and MMC Mental Health Network, developed a pilot program to improve primary care/mental health integration. The program conducts a collaborative “Learning Community” exploring the effectiveness, efficiency and cost/benefit of integration with 6 pairs of primary care/mental health partners.

Stroke Care – The MaineHealth Stroke Care Initiative seeks to improve the care and outcomes of patients who suffer from ischemic stroke, hemorrhagic stroke, and TIA. The program offers a set of provider education (e.g. pathways, guidelines) materials and patient education materials. Staff are working to develop systems to coordinate services and efficiently transfer patients across the system, while increasing access to neurology services for hospitals in need.

Prevention – The Prevention program seeks to improve adherence to adult and pediatric clinical preventative health guidelines. The program has created a preventative health module in the Clinical Improvement Registry (CIR); has developed patient oriented adult and pediatric preventative health guidelines and tracking tools so as to monitor preventative measures by population; and also has developed tools to support patient self management and provider education.

Osteoporosis – The Osteoporosis program seeks to improve the health and outcomes of patients who suffer from osteoporosis. This includes identifying patients who have had a fragility fracture and connecting them to their primary care providers for appropriate follow through. The program includes education materials to help providers in the prevention and treatment of osteoporosis and patient education materials that promote patient self management and fall prevention.

Palliative Care – The Palliative Care program seeks to improve the care of patients who have limited life expectancy and require comprehensive biomedical, psychosocial, and spiritual support as they enter the terminal stage of illness or condition. The program also supports family members coping with the complex consequences of illness, disability, and aging as death nears, while addressing the bereavement needs of family following the death of the patient.

Oncology – The Oncology program is looking to improve access to high quality cancer services throughout the MaineHealth region; to improve capacity to deliver patient centered care and

coordination of cancer care services; and to develop additional infrastructure needed to support defined levels of cancer care.

Infection Prevention and Control Consortium – This program coordinates infection prevention and control initiatives in MaineHealth hospitals. The program focuses on quality improvement and measures the impact of its efforts at both the hospital and system level.

Health Status Programs

Healthy Weight Initiative – This initiative targets both children and adults in the community. The key parts of the initiative include clinical, community, and environmental/policy interventions. MaineHealth’s financial and in-kind support for this initiative recognizes the importance of preventing obesity as a major driver of health care costs, a major risk factor for chronic diseases, and a well-documented community epidemic. In FY08, MaineHealth also made a significant financial contribution to the Maine Youth Overweight Collaborative.

Community Education Programs

MaineHealth Learning Resource Centers – With three Maine locations, the LRCs provide patients, health care providers, and community members with easy access to quality health information and a wealth of educational reference material. In addition, the LRCs offer the public over 100 unique classes taught by professionals (e.g. healthy cooking, yoga, chronic disease self-management, cancer prevention, and mental health awareness).

Parkinson’s Information and Referral Center – The Center is a primary resource for people with Parkinson’s disease, as well as their families and healthcare providers. Assistance includes “patron requests” for information, direct physician referrals, educational outreach to health care facilities, coordinating support groups, and specialized classes for newly-diagnosed individuals.

Access to Care Programs

CarePartners – The program arranges the provision of donated healthcare services for low income uninsured Mainers in Cumberland, Kennebec, and Lincoln Counties. CarePartners also provides administrative support to help serve the target population, including comprehensive eligibility assessment, care management, and access to low cost or free pharmaceuticals.

MedAccess – The program provides access to approximately one million dollars of free medications. CarePartners provides this community resource to uninsured and underinsured community members through the Patient Assistance Programs (PAPs). In addition to this service, MedAccess offers application assistance for other prescription access programs (Medicare Part D, etc) either in-person or through a toll-free number.

System Development

Healthviews Television Network - Healthviews is a community health education television partnership with Greater Portland’s local community access channel. The program airs 12 monthly half-hour segments that provide the latest information on important health and medical issues to help community members become more informed consumers.

Partnership for Healthy Aging

PHA leads the implementation of evidence-based prevention programs for older adults (Living Well, A Matter of Balance, EnhanceWellness, EnhanceFitness, Healthy IDEAS) throughout Maine. The efforts of Elder Care Services focus upon improving transitions, prevention, and quality across the care continuum. Initiatives include Care Transitions coaching, Community Links, and Falls Prevention Tools for providers and patients.

VitalNetwork

The enhanced-ICU (E-ICU) initiative allows audio/video patient monitoring to coincide with real time display of information trend and condition changes. The system is staffed by expert ICU Physicians and Nurses in a central station, allowing enhanced remote monitoring of patients in multiple locations. Similar systems have been proven to reduce ICU mortality by 25%. MaineHealth was the first healthcare system in New England to implement the e-ICU program.

VI. Billing and Collection Practices

Spring Harbor Hospital charges all patients the same price for the same services, regardless of payor source. Individuals are not required to pay or make arrangements to pay prior to the services being provided. Public and private insurance is pursued fully for collection for all patients. In many cases Spring Harbor offers assistance to patients in completing insurance enrollment applications. In cases where a patient balance is present, either because of co-pays or deductibles or in cases where there is no third insurance available, the Hospital will begin collection efforts with the patient. This process always includes educating the patient on the Hospital's charity care policy.

Patients are offered assistance in completing charity care applications. Within 30 days of a patient discharge or within 30 days of a bill becoming the responsibility of a patient, the initial billing statement will be mailed to the patient. Two additional statements are sent if needed in 30 day increments following the first statement. If the account is still not resolved, patients will receive a final notice. Generally at the time of, or soon after final notice is made, patient account representatives will attempt to contact the patient by telephone. If the attempt to contact the patient is unsuccessful and the account remains open, it is referred to the Hospital's collection agency for further follow-up. Spring Harbor Hospital uses only responsible and professional collection agencies. Accounts are classified as "bad debt" when the referral to a collection agency is made or when knowledge exists that referral to a collection agency will not result in the account being resolved. Spring Harbor Hospital does not pursue patient collections through litigation.

VII. Charity Care

The Hospital offers financial assistance to patients who have no means to pay for their care by maintaining a charity / indigent care program. This policy offers charity care to patients who complete an application and who can offer evidence that they meet the eligibility requirements included in Spring Harbor Hospital's uncompensated care policy. This policy currently sets minimum eligibility levels at 175% of the federal poverty guidelines adjusted for the size of the household. Those patients who refuse application or who fail to meet the requirements for uncompensated care are pursued for collection. Unsuccessful attempts at collection may result in the account being written off as bad debt. Through this treatment, bad debts are not considered as charity care. Spring Harbor Hospital's uncompensated care policy is easily understood and

publicly available. Processes exist for offering charity care to patients who are unable to pay after they have already been billed. In addition to monitoring collection practices, copies of financial policies are made available to patients upon admission, including charity care guidelines. The Hospital uses simple application procedures that do not intimidate or confuse applicants. Spring Harbor Hospital staff who work in the admissions, patient accounts and social work departments are educated about the Hospital's uncompensated care policy. Financial counseling staff are also made available to patients during their stay to assist in the completion of applications.

VIII. Good Governance and Executive Compensation Policies

Good Governance

Spring Harbor Hospital has a Board of 21 community members, a majority of whom are not practicing physicians, officers, department heads, or other employees with a financial connection or otherwise affiliated with the organization itself. The Board meets 11 times a year, and has a written "conflict of interest" policy in place. The Board understands the specific mission of the organization and approves strategic planning initiatives aimed at carrying out this mission. Trustees understand their fiscal and other specific responsibilities while serving on the Board, and further education/information is provided to Board members both upon request and during monthly educational sessions on pertinent governance topics. Trustees of Spring Harbor Hospital do not receive loans on behalf of the organization. The organization ensures that a substantial part of its activities does not involve attempts to influence legislation, and that it will not take an official position or provide direct support for or against a political candidate. Moreover, in addition to the CEO, CFO, or both officially signing-off on Spring Harbor Hospital's annual IRS Form 990 and audited financial statements, the Board of Trustees must also have final approval of the yearly audited financial statements. The Board has additionally adopted and maintains a corporate compliance program that includes a Code of Conduct for all staff education and training, monitoring for compliance, and a Helpline for staff to call, all intended to produce continual compliance with organizational policies and the law.

Executive Compensation

Spring Harbor Hospital has a formal written compensation policy in place. In consultation with Towers Perrin, an independent, national consulting firm, the MaineHealth Board Compensation Committee establishes appropriate compensation parameters for Spring Harbor Hospital's CEO and certain members of the Executive Management Team. Working within those parameters, the organization's Governance Committee of the Board determines the level of compensation for Spring Harbor Hospital's CEO, which is then voted on by the full Board. The findings of the Compensation Committee are made transparent to the full Governing Board. This "total executive compensation" is filed publicly by the organization, and includes "total cash compensation" and "total value of all benefits and perquisites associated with the position (such as housing allowances, social club memberships, signing bonuses, etc.)." The Board takes necessary action to prevent the CEO from voting or directly participating in the final Committee determination of his own compensation. The organization's executive compensation procedure relies upon appropriate data for comparability (e.g., compensation levels paid by both taxable and tax-exempt similarly situated organizations and independent compensation surveys by nationally recognized independent firms). Finally, the organization refrains from allowing executive compensation to ever be based solely on Spring Harbor Hospital's revenues or other similar profit-sharing strategies.

IX. Aggregate Financial Data

Spring Harbor Hospital's Community Benefit Summary **

1. Charity care (at cost)	\$ 3,473,000
2. Bad debt (at cost)	\$ 289,000
3. Government-sponsored health care (shortfall) - Unpaid cost of Medicare, MaineCare, and other hospital-specific indigent care programs	\$ 1,014,000
4. Net Community Benefit Investment Programs	\$ 116,000

<i>Total Value of Quantifiable Benefits Provided to the Community</i>	\$ 4,892,000
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**** Spring Harbor Hospital is partially reimbursed for services provided to patients with public health insurance based on a cost reimbursement methodology. As such, the Hospital is partially reimbursed for costs associated with its community programs to the extent that such costs are allowable for reimbursement under established cost reimbursement principles.**

**** Form created based on AHA guidelines**